

## **STEP 2 – PROPOSAL ABSTRACT**

**Applicant Name:** **Butte-Silver Bow Local Government**

**Project Title:** **Drinking Water Infrastructure Replacement – Year 7**

### **Project Description and Benefits to Restoration:**

Due to the adverse impacts of mining from the Berkeley Pit and the underground mines, the groundwater aquifers in portions of Butte can never be used for drinking. The NRD assessment estimates for lost groundwater resources on the Butte Hill alone exceed 5,000 gallons per minute – about the average amount of water used by all Butte citizens on a typical day (except during sprinkling season). Consequently, to protect human health, use of existing groundwater wells is limited and there are prohibitions on new wells in certain areas.

Since 1992, Butte Silver Bow has been the owner/operator of the water utility division. As a result of a settlement, water consumers inherited neglected 100-year-old system. At this same time, Butte-Silver Bow ratepayers had to invest over \$50 million (see appendix C) to restore and replace its drinking water system – a complex infrastructure to import water from across the Continental Divide and from the mountain creeks surrounding Butte. These investments were unconditional and mandatory: There were no alternative sources to develop since the local groundwater is permanently damaged, and neglected improvements by the previous owner had led to federal orders to upgrade the system.

More work is needed. Butte-Silver Bow proposes a fifteen-year program to make essential improvements to the system, particularly the need to replace deteriorated (e.g. leaking, corroded, undersized) distribution lines in the neighborhoods where groundwater use is restricted. The proposed 15-year project would result in a coordinated, annual replacement program to respond to precise areas where deficiencies are creating the most problems.

Year Seven of the project, Butte-Silver Bow requests \$2,417,003.00 in NRD funds, and pledges \$268,556.00 in matching funds to replace up to a total of 17,000 feet of distribution lines. Over 15 years, up to 255,000 feet of distribution pipes would be replaced to provide better service to those citizens who cannot use the groundwater. This long-term investment will fulfill essential priorities and also achieve effective coordination with applicable NRDP requirements.

**Chart A: Project Budget Summary**  
**NATURAL RESOURCE DAMAGE PROGRAM -- 2007 APPLICATION**  
**Butte-Silver Bow - Drinking Water Infrastructure Replacement Project -- Year 7**

DESCRIPTION	Annual Hours	Y2007 Total	NRDP Share (90%)	BSB In-Kind	BSB Cash Share	BSB 10% of TOTAL	15-year Total***	15-year NRDP Share	15-year BSB Share
<b>1. SALARIES AND WAGES</b>									
DPW Director	82	\$ 3,032	\$ -	\$ 3,032		\$ 3,032	\$ 45,485	\$ -	\$ 45,485
Water Division General Manager	252	\$ 5,713	\$ -	\$ 5,713		\$ 5,713	\$ 85,693	\$ -	\$ 85,693
DPW Engineer Technician	404	\$ 5,761	\$ -	\$ 5,761		\$ 5,761	\$ 86,419	\$ -	\$ 86,419
Water Division Staff	572	\$ 10,016	\$ -	\$ 10,016		\$ 10,016	\$ 150,236	\$ -	\$ 150,236
Other Staff	60	\$ 1,020	\$ -	\$ 1,020		\$ 1,020	\$ 15,300	\$ -	\$ 15,300
<b>Sub-Total Salaries</b>		\$ 25,542	\$ -	\$ 25,542		\$ 25,542	\$ 383,133	\$ -	\$ 383,133
<b>2. BENEFITS @ 34% of Wages</b>		\$ 8,684	\$ -	\$ 8,684		\$ 8,684	\$ 130,265	\$ -	\$ 130,265
<b>Total Wages and Benefits:</b>		\$ 34,227	\$ -	\$ 34,227		\$ 34,227	\$ 513,399	\$ -	\$ 513,399
<b>3. CONTRACTED SERVICES:</b>									
Engineering Consultation		\$ 344,933	\$ 315,261		\$ 29,672	\$ 29,672	\$ 5,173,997	\$ 3,880,498	\$ 1,293,499
Construction Contractor** (Includes supplies and materials to replace pipes and re-pave roads)		\$ 2,299,554	\$ 2,101,742		\$ 197,812	\$ 197,812	\$ 34,493,312	\$ 25,869,984	\$ 8,623,328
<b>4. SUPPLIES AND MATERIALS</b>		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
<b>5. COMMUNICATIONS</b>		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
<b>6. TRAVEL</b>		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
<b>7. RENT AND UTILITIES</b>		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
<b>8. EQUIPMENT</b>		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
<b>9. MISCELLANEOUS</b>									
Indirect Costs @ 20% of salaries and benefits		\$ 6,845	\$ -	\$ 6,845		\$ 6,845	\$ 102,680	\$ -	\$ 102,680
<b>TOTAL PROJECT COSTS:</b>		\$ 2,685,559	\$ 2,417,003	\$ 41,072	\$ 227,484	\$ 268,556	\$ 40,283,387	\$ 29,750,481	\$ 10,532,906

**NOTES:**

Engineering design, inspection and grant administration @ 15% of construction costs

\*\* Construction based on Butte-Silver Bow estimates and Pioneer Technical estimates plus 10% contingency